

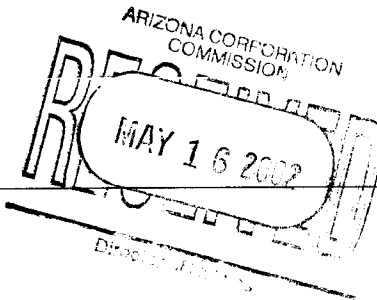
5/2/02 Assessment db updated cm

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

M

E-01049A (electric)  
MORENCI WATER AND ELECTRIC COMPANY  
P. O. BOX 68  
MORENCI AZ 85540



**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2001
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-6/16/02  
5-16-02  
cm

FOR COMMISSION USE

ANN 01	01
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## COMPANY INFORMATION

**Company Name (Business Name)** THE MORENCI WATER & ELECTRIC COMPANY

**Mailing Address** PO BOX 68

(Street)

MORENCI

(City)

AZ

(State)

85540

(Zip)

(928) 865-2229

Telephone No. (Include Area Code)

(928) 865-5261

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** dtrue@phelpsdodge.com

**Local Office Mailing Address** SAME AS ABOVE

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** D.L. TRUE

SUPERINTENDENT

(Name)

(Title)

PO BOX 68

(Street)

MORENCI

(City)

AZ

(State)

85540

(Zip)

(928) 865-2229

Telephone No. (Include Area Code)

(928) 865-5261

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** dtrue@phelpsdodge.com

**On Site Manager:** SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Statutory Agent:** ALEXIS D. ZERWAS

(Name)

4521 US HIGHWAY 191

(Street)

MORENCI

(City)

AZ

(State)

85540-9795

(Zip)

(928) 865-6252

Telephone No. (Include Area Code)

(928) 865-5288

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** ROSHKA HEYMAN & DEWULF

(Name)

400 EAST VAN BUREN STREET SUITE 800

(Street)

PHOENIX

(City)

AZ

(State)

85004

(Zip)

(602) 256-6100

Telephone No. (Include Area Code)

(602) 256-6800

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☒ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

## SERVICES AUTHORIZED TO PROVIDE

Check the following box/s for the services that you are authorized to provide:

☒ **Electric**

- ☐ Investor Owned Electric
- ☐ Rural Electric Cooperative
- ☒ Utility Distribution Company
- ☐ Electric Service Provider
- ☐ Transmission Service Provider
- ☐ Meter Service Provider
- ☐ Meter Reading Service Provider
- ☐ Billing and Collection
- ☐ Ancillary Services
- ☐ Generation Provider
- ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☐ Natural Gas
- ☐ Propane

☐ **Other (Specify)** \_\_\_\_\_  
\_\_\_\_\_

## STATISTICAL INFORMATION

### TELECOMMUNICATION UTILITIES ONLY

Total residential access lines	_____
Total business access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

**STATISTICAL INFORMATION (CONT'D)**

**ELECTRIC UTILITY PROVIDERS ONLY**

Total number of customers	1940	
Residential	1729	
Commercial	210	
Industrial	1	
Public street and highway lighting		
Irrigation		
Resale		
 Total kilowatt-hours sold	1,259,229,000	kWh
Residential	10,695,000	
Commercial	13,978,000	
Industrial	1,234,556,000	
Public street and highway lighting		
Irrigation		
Resale		
 Maximum Peak Load	190	MW

**GAS UTILITIES ONLY**

Total number of customers		
Residential		
Commercial		
Industrial		
Irrigation		
Resale		
 Total therms sold		therms
Residential		
Commercial		
Industrial		
Irrigation		
Resale		

~~E-01049A~~ E-01049A

5/2/02 assessment *ab updated*  
VERIFICATION *cm*

AND  
SWORN STATEMENT  
Intrastate Revenues Only

*Robert A. Taylor*  
DIRECTOR OF FINANCE

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Greenlee
NAME (OWNER OR OFFICIAL) TITLE
D. L. True
COMPANY NAME
The Morenci Water & Electric Company

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 70,522,716

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 2,470,300  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29 DAY OF



OFFICIAL SEAL  
ROBERTA A. TAYLOR  
NOTARY PUBLIC - State of Arizona  
GREENLEE COUNTY

MY COMMISSION EXPIRES June 19, 2005

*D. L. True*  
SIGNATURE OF OWNER OR OFFICIAL

(928) 865-2229

TELEPHONE NUMBER

COUNTY NAME

*Greenlee*

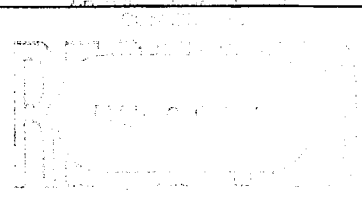
MONTH

*April*

*2002*

*Robert A. Taylor*  
SIGNATURE OF NOTARY PUBLIC  
*Roberta A. Taylor*

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**



STATE OF ARIZONA

I, THE UNDERSIGNED  
OF THE

(COUNTY NAME) Greenlee	
NAME (OWNER OR OFFICIAL) D. L. True	TITLE Superintendent
COMPANY NAME The Morenci Water & Electric Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 1,396,048

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 70,338  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X D. L. True  
SIGNATURE OF OWNER OR OFFICIAL

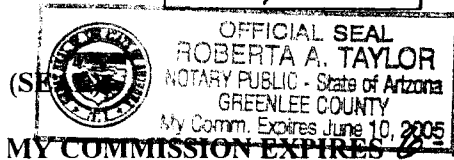
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

29

DAY OF



MY COMMISSION EXPIRES 6-10-05

NOTARY PUBLIC NAME <u>ROBERTA A. MULLIGAN / ROBERTA A. TAYLOR</u>	
COUNTY NAME <u>Greenlee</u>	
MONTH <u>April</u>	20 <u>02</u>

X Roberta A. Mulligan  
SIGNATURE OF NOTARY PUBLIC

## FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2001) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**



Name of Respondent The Morenci Water & Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2002	Year of Report Dec. 31, 2001
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**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	6,893,342	6,893,342
3	Construction Work in Progress (107)	200-201	1,628,868	1,961,444
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		8,522,210	8,854,786
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	4,506,606	4,788,349
6	Net Utility Plant (Enter Total of line 4 less 5)		4,015,604	4,066,437
7	Nuclear Fuel (120.1-120.4, 120.6)	202-203	0	0
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		0	0
10	Net Utility Plant (Enter Total of lines 6 and 9)		4,015,604	4,066,437
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored Underground - Noncurrent (117)		0	0
13	<b>OTHER PROPERTY AND INVESTMENTS</b>			
14	Nonutility Property (121)	221	0	0
15	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
16	Investments in Associated Companies (123)		0	0
17	Investment in Subsidiary Companies (123.1)	224-225	0	0
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
19	Noncurrent Portion of Allowances	228-229	0	0
20	Other Investments (124)		0	0
21	Special Funds (125-128)		0	0
22	TOTAL Other Property and Investments (Total of lines 14-17,19-21)		0	0
23	<b>CURRENT AND ACCRUED ASSETS</b>			
24	Cash (131)		176,620	281,577
25	Special Deposits (132-134)		0	0
26	Working Fund (135)		0	0
27	Temporary Cash Investments (136)		0	182,766
28	Notes Receivable (141)		0	0
29	Customer Accounts Receivable (142)		440,406	406,681
30	Other Accounts Receivable (143)		0	0
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		21,000	47,790
32	Notes Receivable from Associated Companies (145)		0	0
33	Accounts Receivable from Assoc. Companies (146)		5,331,661	5,004,913
34	Fuel Stock (151)	227	0	0
35	Fuel Stock Expenses Undistributed (152)	227	0	0
36	Residuals (Elec) and Extracted Products (153)	227	0	0
37	Plant Materials and Operating Supplies (154)	227	0	47,000
38	Merchandise (155)	227	0	0
39	Other Materials and Supplies (156)	227	0	0
40	Nuclear Materials Held for Sale (157)	202-203/227	0	0
41	Allowances (158.1 and 158.2)	228-229	0	0
42	(Less) Noncurrent Portion of Allowances		0	0
43	Stores Expense Undistributed (163)	227	0	0
44	Gas Stored Underground - Current (164.1)		0	0
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
46	Prepayments (165)		4,539	11,050
47	Advances for Gas (166-167)		0	0
48	Interest and Dividends Receivable (171)		0	0
49	Rents Receivable (172)		0	0
50	Accrued Utility Revenues (173)		0	0
51	Miscellaneous Current and Accrued Assets (174)		4,967	20,076
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 51)		5,937,193	5,906,273



Name of Respondent The Morenci Water & Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2002	Year of Report Dec. 31, 2001
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**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
<b>1</b>	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250-251	1,413,815	1,413,815
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	619,029	989,993
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	TOTAL Proprietary Capital (Enter Total of lines 2 thru 13)		2,032,844	2,403,808
<b>15</b>	<b>LONG-TERM DEBT</b>			
16	Bonds (221)	256-257	0	0
17	(Less) Reaquired Bonds (222)	256-257	0	0
18	Advances from Associated Companies (223)	256-257	360,064	360,064
19	Other Long-Term Debt (224)	256-257	0	0
20	Unamortized Premium on Long-Term Debt (225)		0	0
21	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
22	TOTAL Long-Term Debt (Enter Total of lines 16 thru 21)		360,064	360,064
<b>23</b>	<b>OTHER NONCURRENT LIABILITIES</b>			
24	Obligations Under Capital Leases - Noncurrent (227)		0	0
25	Accumulated Provision for Property Insurance (228.1)		0	0
26	Accumulated Provision for Injuries and Damages (228.2)		0	0
27	Accumulated Provision for Pensions and Benefits (228.3)		419,892	0
28	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
29	Accumulated Provision for Rate Refunds (229)		0	0
30	TOTAL OTHER Noncurrent Liabilities (Enter Total of lines 24 thru 29)		419,892	0
<b>31</b>	<b>CURRENT AND ACCRUED LIABILITIES</b>			
32	Notes Payable (231)		0	0
33	Accounts Payable (232)		5,551,166	4,886,647
34	Notes Payable to Associated Companies (233)		0	0
35	Accounts Payable to Associated Companies (234)		1,813,773	2,532,277
36	Customer Deposits (235)		0	2,525
37	Taxes Accrued (236)	262-263	238,693	32,384
38	Interest Accrued (237)		16,858	20,550
39	Dividends Declared (238)		0	0
40	Matured Long-Term Debt (239)		0	0
41	Matured Interest (240)		0	0
42	Tax Collections Payable (241)		-7,298	226,118
43	Miscellaneous Current and Accrued Liabilities (242)		32,056	6,512
44	Obligations Under Capital Leases-Current (243)		0	0
45	TOTAL Current & Accrued Liabilities (Enter Total of lines 32 thru 44)		7,645,248	7,707,013

Name of Respondent The Morenci Water & Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2002	Year of Report Dec. 31, 2001
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**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(Continued)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
46	<b>DEFERRED CREDITS</b>			
47	Customer Advances for Construction (252)		0	28,750
48	Accumulated Deferred Investment Tax Credits (255)	266-267	0	0
49	Deferred Gains from Disposition of Utility Plant (256)		0	0
50	Other Deferred Credits (253)	269	0	0
51	Other Regulatory Liabilities (254)	278	0	0
52	Unamortized Gain on Reaquired Debt (257)		0	0
53	Accumulated Deferred Income Taxes (281-283)	272-277	0	53,694
54	TOTAL Deferred Credits (Enter Total of lines 47 thru 53)		0	82,444
55			0	0
56			0	0
57			0	0
58			0	0
59			0	0
60			0	0
61			0	0
62			0	0
63			0	0
64			0	0
65			0	0
66			0	0
67			0	0
68	TOTAL Liab and Other Credits (Enter Total of lines 14,22,30,45,54)		10,458,048	10,553,329

Name of Respondent The Morenci Water & Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2002	Year of Report Dec. 31, 2001
--	---	--	---------------------------------

**STATEMENT OF INCOME FOR THE YEAR**

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another Utility column (i, k, m, o) in a similar manner to a utility department. Spread the amount(s) over Lines 02 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in account 414, Other Utility Operating income, in the same manner as accounts 412 and 413 above.
3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use pages 122-123 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account  (a)	(Ref.)  Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	68,734,919	60,255,097
3	Operating Expenses			
4	Operation Expenses (401)	320-323	67,666,537	58,289,350
5	Maintenance Expenses (402)	320-323	88,815	1,544,452
6	Depreciation Expense (403)	336-337	281,743	220,273
7	Amort. & Depl. of Utility Plant (404-405)	336-337		
8	Amort. of Utility Plant Acq. Adj. (406)	336-337		
9	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	262-263	44,129	121,322
14	Income Taxes - Federal (409.1)	262-263	58,153	20,928
15	- Other (409.1)	262-263	12,444	5,200
16	Provision for Deferred Income Taxes (410.1)	234, 272-277	175,824	
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277		5,399
18	Investment Tax Credit Adj. - Net (411.4)	266		
19	(Less) Gains from Disp. of Utility Plant (411.6)			
20	Losses from Disp. of Utility Plant (411.7)			
21	(Less) Gains from Disposition of Allowances (411.8)			
22	Losses from Disposition of Allowances (411.9)			
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)		68,327,645	60,196,126
24	Net Util Oper Inc (Enter Tot line 2 less 23) Carry fwd to P117, line 25		407,274	58,971

Name of Respondent The Morenci Water & Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2002	Year of Report Dec. 31, 2001
--	---	--	---------------------------------

**STATEMENT OF INCOME FOR THE YEAR (Continued)**

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.

B. Enter on pages 122-123 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on pages 122-123 or in a footnote.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
68,052,416	59,443,465			682,503	811,632	2
						3
67,076,560	58,209,657			589,977	79,693	4
61,222	855,390			27,593	689,062	5
-68,467	71,603			350,210	148,670	6
						7
						8
						9
						10
						11
						12
7,800	92,188			36,329	29,134	13
103,149	-2,093			-44,996	23,021	14
22,443	-520			-9,999	5,720	15
315,812				-139,988		16
	-540				5,939	17
						18
						19
						20
						21
						22
67,518,519	59,226,765			809,126	969,361	23
533,897	216,700			-126,623	-157,729	24

Name of Respondent The Morenci Water & Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/17/2002	Year of Report Dec. 31, 2001	
STATEMENT OF INCOME FOR THE YEAR (Continued)						
Line No.	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY	
	Current Year (k)	Previous Year (l)	Current Year (m)	Previous Year (n)	Current Year (o)	Previous Year (p)
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Name of Respondent The Morenci Water & Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/17/2002	Year of Report Dec. 31, 2001
STATEMENT OF INCOME FOR THE YEAR (Continued)					
Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL		
			Current Year (c)	Previous Year (d)	
25	Net Utility Operating Income (Carried forward from page 114)		407,274	58,971	
26	Other Income and Deductions				
27	Other Income				
28	Nonutility Operating Income				
29	Revenues From Merchandising, Jobbing and Contract Work (415)		54,286		
30	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		54,286		
31	Revenues From Nonutility Operations (417)				
32	(Less) Expenses of Nonutility Operations (417.1)				
33	Nonoperating Rental Income (418)		868	2,084	
34	Equity in Earnings of Subsidiary Companies (418.1)	119			
35	Interest and Dividend Income (419)		6,795	10,107	
36	Allowance for Other Funds Used During Construction (419.1)				
37	Miscellaneous Nonoperating Income (421)				
38	Gain on Disposition of Property (421.1)				
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		7,663	12,191	
40	Other Income Deductions				
41	Loss on Disposition of Property (421.2)				
42	Miscellaneous Amortization (425)	340			
43	Miscellaneous Income Deductions (426.1-426.5)	340			
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)				
45	Taxes Applic. to Other Income and Deductions				
46	Taxes Other Than Income Taxes (408.2)	262-263			
47	Income Taxes-Federal (409.2)	262-263			
48	Income Taxes-Other (409.2)	262-263			
49	Provision for Deferred Inc. Taxes (410.2)	234, 272-277			
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277			
51	Investment Tax Credit Adj.-Net (411.5)				
52	(Less) Investment Tax Credits (420)				
53	TOTAL Taxes on Other Income and Deduct. (Total of 46 thru 52)				
54	Net Other Income and Deductions (Enter Total lines 39, 44, 53)		7,663	12,191	
55	Interest Charges				
56	Interest on Long-Term Debt (427)				
57	Amort. of Debt Disc. and Expense (428)				
58	Amortization of Loss on Reaquired Debt (428.1)				
59	(Less) Amort. of Premium on Debt-Credit (429)				
60	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)				
61	Interest on Debt to Assoc. Companies (430)	340	43,973	40,327	
62	Other Interest Expense (431)	340			
63	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)				
64	Net Interest Charges (Enter Total of lines 56 thru 63)		43,973	40,327	
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		370,964	30,835	
66	Extraordinary Items				
67	Extraordinary Income (434)				
68	(Less) Extraordinary Deductions (435)				
69	Net Extraordinary Items (Enter Total of line 67 less line 68)				
70	Income Taxes-Federal and Other (409.3)	262-263			
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)				
72	Net Income (Enter Total of lines 65 and 71)		370,964	30,835	